

FIRST REPORT

STANDING COMMITTEE ON LABOUR AND WELFARE
(1999-2000)

(THIRTEENTH LOK SABHA)
MINISTRY OF LABOUR

*[Action Taken by the Government on the Recommendations/Observation
contained in the Tenth Report of the Standing Committee on Labour and
Welfare on Ministry of Labour on Demands for Grants—1999-2000]*



LOK SABHA SECRETARIAT
NEW DELHI

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8. The Ministry have further informed that with a view to carry out an indepth examination of various issues relating to Defence Procurement Procedures so as to appropriately modify them keeping in view the twin objectives of accountability as well as speedier acquisition, a Committee headed by the Vice Chief of Army Staff was constituted on 28th March, 2000. The representatives from MOD, MOD(F), and three Service Headquarters were included as members of this Committee. This Committee has since submitted its report which is under examination.

9. Further on 17th April, 2000, the Government constituted a Group of Ministers to review the national security system in its entirety and to consider the recommendations of the Kargil Review Committee and formulate specific proposals for implementation of the recommendations in particular. With the approval of the Group of Ministers, four Task Forces were constituted to look into the specific issues. One of the Task Forces is entrusted with the responsibility of Review of the Management of Defence. This Task Force is headed by Shri Arun Singh, the then Minister of State for Defence (1984-85) and also the then Chairman, Committee on Defence Expenditure having representatives from the MOD, MOD (F) and the three Service Headquarters. The Terms of Reference of this Task Force *inter-alia* cover examination of existing organisations and structures for improving the management of country's defence, examining the apex decision making structure and the interface between the Ministry of Defence and the Armed Forces Headquarters and recommend appropriate measures for redressing such deficiencies as may be identified including organisational and other changes to bring about improvement in the procurement processes etc.

10. It is also stated that the Ministry of Finance have also constituted a task force *vide* Ministry of Finance, Department of Expenditure O.M.NO.I(36)/E-11(A)/98 dated 16th November, 1998 of examine the existing financial powers of the Ministry of Defence and Headquarters Organisations of the Armed Forces and to examine the extent to which these could be enhanced. The Task Force would also suggest appropriate measures made for simplifying and streamlining the existing procedures for formulation, evolving, sanction, procurement and expenditure management in the Defence Ministry and the Armed

CHAPTER III
RECOMMENDATIONS/OBSERVATIONS WHICH THE
COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW
OF THE GOVERNMENT'S REPLY

Recommendation (SI. No. I, Para No. 1.12)

3.1 The Committee note with concern that the expenditure of the Ministry of Labour under various Plan Schemes has been less particularly upto October, 1998 due to which the Ministry of Finance was constrained to lower down the allocation at Revised Estimates stage. The reasons put forth by the Ministry that the bills for reimbursement of amount from State Governments were not received in time and as such Revised Estimates was fixed by the Ministry of Finance after reviewing the expenditure upto the month of October, are not satisfactory. The Committee, therefore, strongly recommend that the expenditure of the Ministry should be streamlined right from the beginning of the Financial Year so that the funds allocated in Budget Estimates are not lowered down at Revised Estimates stage by the Ministry of Finance. For this, vigorous consultations with the State Governments should be made at the highest level and a strong monitoring over the schemes at regular intervals should be done by the Ministry so that the bills for reimbursement from State Governments are received by them in time.

Reply of the Government

3.2 As already mentioned there is a 3-tier monitoring mechanism under operation in the Ministry of Labour to review the pace of expenditure. The Plan allocation is mostly for Vocational Training Project and the Child Labour Project. With a view to ensuring optimum utilisation of the budget provided for in the Financial Year 1998-99 under the schemes covered under Vocational Training Project, the State Governments were consulted at different stages and also the expenditure position was reviewed during DGE&T—World Bank joint review meetings in May-June 1998, November 1998 and February 1999. However, as recommended by the Committee, expenditure would be more closely monitored henceforth.

3.3 As regards the budget allocation under the Child Labour Project, a number of steps have been taken for ensuring regular release of funds which include the following:

- (i) Project societies are pursued to submit various returns like Audited Accounts, Progress Reports and Utilisation Certificates in time;
- (ii) State Governments are asked to supervise the submission of various returns by the project societies;
- (iii) In the Central Monitoring Committee, the need for submission of information in time is emphasised and the members are asked to ensure timely submission of returns;
- (iv) Detailed Manual on the implementation of Child Labour has been prepared and sent to Project Directors for their reference; and

(v) Meetings of the Project Directors are organised from time to time to sort out the problems being faced by them at the district level in submitting the various returns in time and guide them properly.

[Ministry of Labour O.M. No. H-11013/5/99 Coord. Dated 1.10.1999]

Recommendation (SI. No. 9, Para No. 2.34)

3.4 The Committee note with concern that though the main job of the Protector General of Emigrants is to see the welfare of emigrant workers, yet the Ministry of Labour has not been able to create a legal cell in the Indian Missions specifically to look after the problems of such workers. The Committee have been informed that a proposal for posting of officers of the Ministry of Labour who have sufficient knowledge of the labour laws in general and the Emigration Act in particular, as Labour Attache has been sent to Ministry of External Affairs and is pending for their consideration. In the opinion of the Committee the officials posted in Indian Missions are burdened with other jobs and also not familiar with labour problems and as such it is difficult for them specifically to look into the problems of emigrant workers. The Committee, therefore, strongly recommend that the Ministry should take up the issue with the Ministry of External Affairs.

Reply of the Government

3.7 The vacant posts of Medical Officers under LWO have since been decadred by Ministry of Health and Family Welfare and pending formulation of Recruitment Rules for the posts of Medical Officers in Labour Welfare Organisation, it has be decided to fill up all the vacant posts of doctors in LWO on contract basis. Necessary instructions have been given to all Welfare Commissioners in this regard and action has also been initiated by them. In regard to the vacant posts of para medical staff, the Welfare Commissioners themselves are competent authority to fill up these posts. However, the position of these posts is monitored periodically and they are from time to tune asked to fill up these posts expedifiously. It is expected that most of the posts of doctors under LWO will be filled up soon by Medical Officers on contract basis. So far as forming of our own cadre of Medical Officers is concerned action to frame the Recruitment Rules for these posts is being taken in consultation with the Ministry of Health and Family Welfare, DOP&T and UPSC. Since the process involves detailed examination and consultation, it is likely to take some time. Efforts are being made to finalise the Recruitment Rules as early as possible.

[Ministry of Labour O.M. No. H-11013/5/99 Coord. Dated 1.10.1999]

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRES REITERATION **Recommendation (SI. No. 3, Para No. 1.14)**

4.1 The Committee note that though Working Group on Industrial Relations while formulating the 8th Five Year Plan had recommended for setting up of 6 more CGIT-cum-Labour Courts, yet the Ministry has now informed the Committee that the sanction for setting up of two new CGITs at Lucknow and Nagpur was issued on 15.9.98 but the selection of Presiding Officers is under process and also a proposal to open 3 new CGITs at Hyderabad, Chennai and Bhubaneswar has been sent to the Ministry of Finance. The Committee view this situation very seriously keeping in view the piling up of pending cases year after year in various courts. In their opinion, the matter should have been taken up at the highest level and efforts should have been made for setting up of 5 CGITs much earlier. The Committee, therefore, urge the Ministry to complete the process of selection of Presiding Officers for the two new CGITs at Lucknow and Nagpur for which sanction was issued on 15-9-98 and to take immediate steps for setting up of the remaining three new CGITs at Hyderabad, Chennai and Bhubaneswar without any further delay. As regards making terms and conditions of appointments of Presiding Officers in Labour Courts more attractive, the Ministry should take up the issue with the Ministry of Finance for early clearance.

Reply of the Government

4.2 A proposal for appointment of Presiding Officers for CGIT-cum-Labour Courts at Lucknow and Nagpur has been sent to the competent authority for approval.

4.3 The Ministry of Finance has approved the proposal for setting up of three new CGITs at Hyderabad, Chennai & Bhubaneswar on 20.4.99. The action for suitable accommodation and appointment of Presiding Officers/Subordinate staff for these three CGITs is under process. 21

4.4 The proposal for making terms and conditions of appointment of Presiding Officers of CGITs more attractive is under consideration of the Government.
[Ministry of Labour O.M. No. H-11013/5/99 Coord. Dated 1.10.1999]

Comments of the Committee
(Please see Para 1.6 of Chapter I of the Report)
Recommendation (SI. No. II, Para No. 2.51)

4.5 The Committee note that the Cabinet Committee on Economic Affairs has approved the proposal of the Ministry of Labour for continuance of the scheme of National Child

Labour Projects during the Ninth Plan period in January, 1999 and also approved increase in the number of projects from 76 to 100. The Committee further note that the Ministry of Labour has advised the State Governments to make a fresh assessment of their proposed projects sent by them way back in the year 1995-96. In the opinion of the Committee, these proposals numbering around 30 received from State Governments have been delayed for more than four years and hence should be considered for sanction on priority. The Committee, therefore, urge the Ministry to take up the matter with the concerned State Governments for assessing the proposed projects at the earliest so that sanction for running of these projects are issued without further loss of time. In order to ensure effective monitoring of Child Labour Projects, the Committee recommend that there should be a separate institutional monitoring mechanism in the Ministry which should periodically monitor the activities of the project societies and implementing agencies down to the grass-root level so that problems regarding late receipt of audited accounts, utilisation certificates and delay in timely release of funds etc. are eliminated. Steps taken and progress achieved in this regard should be communicated to the Committee after six months.

Reply of the Government

4.6 The Ministry of Labour has requested the State Governments on 4.3.99 to prioritise the pending proposal under NCLP scheme and send the same to Ministry of Labour so that a view can be taken regarding starting of new project as per the directions of the CCEA dated 20.1.99. The State Governments have been reminded on this issue on 10.5.99.

4.7 A Central Monitoring Committee had been constituted on 30.12.98 under the Chairmanship of Secretary (Labour) for overall supervision, monitoring and evaluation of National Child Labour Projects. The Members of the Committee include the Labour Secretaries of the State Governments, representatives of the Ministry of Rural Areas and Employment, Department of Women and Child Development, Education, Financial Advisor (Labour) and Director, V.V. Giri National Labour Institute. Joint Secretary (Child Labour) is the Member Secretary of the Committee. The first meeting of the Committee was held on 16.2.99. The State Governments have also been requested to constitute State Level Monitoring Committees on the line of the Central Monitoring Committee. It is expected that the State Level Monitoring Committee will be able to monitor the performance of the National Child Labour Projects functioning in the concerned States more effectively and also ensure timely submission of financial returns so that delay in release of funds are eliminated.

[Ministry of Labour O.M. frJo. H-11013/5/99 Coord.

Dated 1.10.1999]

Comments of the Committee

(Please see *Pains 1.9* and 1.10 of Chapter I of the Report)

Recommendation (SI. No. 12, Para No. 2.52)

4.8 The Committee note that through the efforts of the Ministry of Labour, the Ministry of Rural Areas and Employment has issued a circular in April, 1997 giving overriding priority for assistance under IRDP to an adult member of a family in place of a child withdrawn from work if the family is a Below Poverty Line (BPL) and residing in rural areas. However, the Ministry of Labour has no information on the number of such adult members given employment so far. In the opinion of the Committee, the Ministry has not shown any seriousness in this regard. The Committee, therefore, urge the Ministry to take up the issue with the Ministry of Rural Areas and Employment and ensure that the provision laid down by them *vide* their circular No. R-20015/6/95-IRD IV dated 29 April, 1997 are implemented effectively so that children withdrawn from work are not allowed to relapse into child labour.

Reply of the Government

4.9 Ministry of Rural Areas and Employment have been requested to supply information on the number of adult members who were provided employment as per their circular No. R-20015/6/95-IRD IV dated 29.4.1997.

[Ministry of Labour O.M. No. H-11013/5/99 Coord. Dated 1.10.1999]

Comments of the Committee (Please see Paras 1.9 and 1.10 of Chapter I of the Report) Recommendation (SI. No. 17, Para No. 2.77)

4.10 The Committee are constrained to note that though full payment and the interest for late payment for possession of the land for establishment of Regional Labour Institute at Paridabad have been made by the Ministry to the State Government of Haryana on 31.3.98 and 31.12.98 respectively, however, the possession of land has not so far been handed over to the Ministry. The Committee view this situation very seriously. In their view, the Ministry's monitoring in this regard has not been good. The Committee, therefore, strongly recommend that the Ministry should take up the issue at the highest level for early possession of the land so that the Institute is established without further delay.

Reply of the Government

4.11 The Government of India has been following the matter with the Government of Haryana quite meticulously. As intimated to the Committee earlier, the full and final payment of the cost of land as well as interest on it was made to HUDA at the earliest possible time and since then, the Ministry has been writing to Government of Haryana to expedite the possession of land to the Government of India so that further action for establishment of the Institute could be started.

4.12 Request for expeditious transfer of land has since been made to the Government of Haryana twice on (16.2.99 & 16.4.99) at the level of Labour Secretary. The concern

expressed by the Committee for delay in possession of land and consequent delay in establishment of the Institute has also been conveyed to the Government of Haryana. The matter is also being pursued with the authorities of HUDA at Faridabad for handing over the possession of land.

[Ministry of Labour O.M. No. H-11013/5/99 Coord.

Dated 1.10.19991

Comments of the Committee

(Please see Para 1.13 of Chapter I of the Report)

CHAPTER V
RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH
FINAL REPLIES OF GOVERNMENT HAVE NOT BEEN RECEIVED
Recommendation (SI. No. 4, Para No. 1.15)

5.1 The Committee note that though the Contract Workers (Regulation and Abolition) Act, disapproves employment of contract workers in permanent and perennial nature of jobs, yet the employers generally disregard the Act as it costs a heavy financial burden on them particularly in the context of competitive environment. It has also led to a plethora of cases in various courts by the workers seeking directions for abolition of contract labour. The Ministry of Labour, during evidence has admitted that there are a large number of cases where the contract labourers are not being dealt with properly. The Committee view this situation very seriously. In their view, the matter should have been discussed at Tripartite level in the interest of contract workers. The Committee, therefore, strongly recommend that the issue relating to welfare of contract labourers should be discussed at the forthcoming Indian Labour Conference for finding an amicable solution to the grievances of the contract labourers. Also, the Ministry should devise way and means for having an authentic data of contract labourers. For this the job may be entrusted to Labour Bureau, Shimla without further loss of time. The Committee are of the view that the working of Central Industrial Relations Machinery should be further strengthened so that the Contract Labour (Regulation and Abolition) Act is enforced effectively. Steps taken and progress achieved may be communicated to the Committee within six months' time.

Reply of the Government

5.2 The Ministry have since made a proposal for placing the matter before the Indian Labour Conference (ILC) in its next meeting to elicit the opinion of ILC thereon. The Labour Bureau have also been asked to conduct survey on the status of Contract Labour in the NTPC, FCI Depots and Cement Industry. The Central Industrial Relations Machinery (CIRM), agency responsible for enforcement of provisions of Contract Labour (Regulation and Abolition) Act, 1970 have been requested to effectively enforce the Act and the Rules especially when the instances of violation are brought to their notice. The enforcement wing of the CERM carried out during 1996, 1997 and 1998 a total of 35356, 34057 and 32401 (P) number of inspections respectively under all the 12 enactments which are being enforced by them. Out of these as many as 4653, 4186 and 4263 (P) inspections respectively were carried out under the Contract Labour (R&A) Act alone during the above years. The following statement gives the number of inspections carried out, number of irregularities detected, number of prosecution filed and the number of conviction obtained under the Contract Labour (R&A) Act:

Year	Number of Inspection carried out	Number of irregularities detected	Number of prosecutions filed	Number of convictions obtained
1996	4653	72541	3805	2659

1997	4186	71123	3216	2155
1998 (P)	4263	65509	3147	2060

5.3 In addition, the enforcement wing of the machinery has been carrying crash programmes of inspections and task force inspections of two weeks and one week respectively every year with the objective to:

(i) secure dues, benefits and facilities to unorganised sector workers; and

(ii) to generate awareness amongst the unorganised sector workers about the benefits and facilities available to them under the beneficial legislations. The inspections under Contract Labour (R&A) Act are given priority during these programmes which are carried out by forming teams of officers. However, the enforcement wing of the machinery is quite inadequate considering the number of establishments that are required to be inspected under the various labour laws in the Central spheres. The Office of CLC has, therefore, formulated and proposed a scheme under the IXth Plan namely "Augmenting and Strengthening the Enforcement Machinery" proposing creation of 25 posts of LEOs and 20 posts of ALCs for proper enforcement of the new enactment namely the Building and Other Construction Workers (RE&CS) Act, 1996 as it is an additional responsibility entrusted to the CIRM and in view of the additional responsibility placed upon the machinery owing to the judgement of Supreme Court in Air India Statutory Corporation case. The proposal has to be further examined after the SIU of Ministry of Finance have carried out the work study of field offices for the purpose of fixing the work norms and in this regard the response of the SIU of Ministry of Finance is awaited.

[Ministry of Labour O.M. No. H-11013/5/99 Coord.

Dated 1.10.1999]

Recommendation (SI. No. 10, Para No. 2.35)

5. 4 The Committee are concerned to note that though the proposal for setting up of a Central Manpower Export Promotion Council which could undertake the task of promotion of employment of Indian personnel/services abroad undertaking the publicity and promotional work for Indian manpower abroad and liaisoning with International agencies and foreign employers was sent to Ministry of External Affairs in the year 1996, yet their comments on the issue have not so far been received by the Ministry of Labour. The Committee are not happy with the situation. In their views, there is an urgent need to set up the proposed Council which can look after the welfare of emigrant workers in a broader perspective. The Committee, therefore, strongly recommend that the matter should be taken up with Ministry of External affairs at the highest level so that their comments are received at the earliest and Central Manpower Export Promotion Council is set up without further loss of time.

Reply of the Government

5.5 The proposal for setting up of a Central Manpower Export Promotion Council is under active consideration of the Government. Comments from all vital Ministries/Departments on the Draft Cabinet Note prepared by this Ministry were invited. Since the Ministry of External Affairs had not responded till recently, they were reminded at the level of the Hon~ble Labour Minister. Comments of the Ministry of External Affairs have since been received. The matter is receiving attention and a final shape to the proposal will be given in consultation with Ministry of Law & Justice and the Ministry of Finance.

[Ministry of Labour O.M. No. H-11013/5/99 Coord.

Dated 1.10.1999]

Recommendation (SI. No. 16, Para No. 2.76)

5.6 The Committee note that although DGFASLI organisation is entrusted with an important task *of* improving safety, health, productivity, working conditions in factories and ports, yet a large number of posts are lying vacant in the organisation. Further the Budget Estimates for the year 1999-2000 has significantly been reduced from the Revised Estimates for the year 1998-99. The Committee are not happy with the situation. In their view activities and programmes of the Organisation should further be increased keeping in view the fast changing technologies in the industrial sector. The Committee, therefore, urge the Ministry to strengthen the organisation by allocating more funds and by increasing their staff strength to enable them to carry out more number of studies/surveys pertaining to working conditions, health status of workers and other matters related to industrial safety. The Committee also desire that the Ministry of Labour should impress the Ministry of Finance that 10% of its existing posts of the organisation are not surrendered. Steps taken and progress achieved in this regard should be communicated to the Committee within six months' time.

Reply of the Government

5.7 Recruitment and Promotion of the officers in the organisation is a continuous process. As and when posts fall vacant, proposals to fill up the vacant posts are sent to the U.P.S.C. and other concerned institutions from time to time. Presently, action to fill up all the vacant posts of the DGFASLI organisation has already been taken by sending requisitions to UPSC. As regards allocation of more funds to the DGPASLI organisation, it may be stated that 9 New Plan schemes have been proposed and are being put up for approval of EFC. After approval, the proposals for creation of new posts would be processed and additional funds if required, would be asked for in the Revised Estimates 1999-2000.

5.8 Presently there is no proposal for 10% cut of the existing posts of the DGFASLI organisation.

(Ministry of Labour O.M. No. H-11013/5/99 Coord.

Dated 1.10.1999]

Recommendation (SI. No. 18, Para No. 2.78)

5.9 The Committee note with concern that though the DGFASLI organisation has framed model rules consequent to the amendment to the Factories Act in 1987 to ensure that major accidents are averted and also loss of lives/property is minimized, some of the State Governments have not notified the model rules so far. In the opinion of the Committee the monitoring of the Ministry in this regard has not been satisfactory. The Committee, therefore, strongly recommend that the Ministry of Labour should pursue *the* matter with the State Governments and ensure that the model rules for the improvement of health and safety for workers are notified by all the States without further delay.

Reply of the Government

5.10 The Ministry of Labour from time to time has advised the State Governments for adopting the model rules framed under the Factories Act 1948, with such modification as is considered necessary to suit their local conditions. The Ministry is continuously pursuing this with the State Governments.

[Ministry of Labour O.M. No. H-11013/5/99 Coord.
Dated 1.10.1999]

NEW DELHI;
March, 2000

DR. SUSHIL KUMAR INDOOR
Chairman
Standing Committee on Labour and Welfare

MINUTES OF THE THIRD SITTING OF THE STANDING
COMMITTEE ON LABOUR AND WELFARE HELD
ON 1 MARCH, 2000

The Committee met from 15.00 hrs. to 15.45 hrs. in Committee Room 'D'
Parliament House Annexe, New Delhi.

PRESENT

Dr. Sushil Kumar Indora — *Chairman*

MEMBERS

Lok Sabha

2. Shri Denzil B. Atkinson
3. Smt. Sandhya Bauri
4. Shri Joachim Baxia
5. Shri Manibhai Ramjibhai Chaudhuri
6. Smt. Phoolan Devi
7. Shri Krishan Lal Diler
8. Shri Virendra Kumar
9. Shri C. Kuppusami
10. Shri Ramjee Manjhi
11. Shri Bherulal Meena
12. Shri Rupchand Murmu
13. Shri Ram Shakal
14. Dr. N. Venkataswamy

Rajya Sabha

15. Shri Govindrao Adik
16. Dr. (Mrs.) P. Selvie Das
17. Shri Ramachandra Khuntia
18. Shri C.P. Poullose
19. Ms. Frida Topno

SECRETARIAT

1. Shri Joginder Singh — *Joint Secretary*
2. Shri J.P. Sharma — *Deputy Secretary*
3. Shri B.D. Swan — *Under Secretary*

2. At the outset, Hon'ble Chairman welcomed the Members of the Committee. The Committee then took up the following Reports for consideration and adopted the same without any modification:

(i) First Report on Action Taken by the Government on the recommendations/observations contained in the Tenth Report of the Committee on Demands for Grants, Ministry of Labour (1999-2000).

(ii) ** ** ** **

3. The Committee authorised the Chairman to present the above Reports to Parliament on their behalf.

The Committee then adjourned.

APPENDIX

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
TENTH REPORT OF THE STANDING COMMITTEE ON LABOUR
AND WELFARE (TWELFTH LOK SABHA)**

	Total Percentage	
I. Total number of Recommendations	21	
II. Recommendations/Observations which have been accepted by Government (SI. Nos. 2, 5, 6, 7, 8, 13, 14, 19, 20 and 21)	10	47.62
III. Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies (SI. Nos. 1, 9 and 15)	3	14.28
IV. Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee (SI. Nos. 3, II, 12 and 17)	4	19.05
V. Recommendations/Observations in respect of which final replies of Government are still awaited (SI. Nos. 4, 10, 16 and 18)	4	19.05